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Senate Engrossed House Bill

State of Arizona
House of Representatives
Forty-sixth Legislature
First Regular Session
2003

HOUSE BILL 2421

AN ACT

AMENDING SECTION 43-1089.01, ARIZONA REVISED STATUTES; RELATING TO INDIVIDUAL INCOME TAX CREDITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 43-1089.01, Arizona Revised Statutes, is amended to
3 read:

4 43-1089.01. Tax credit; definitions

5 A. A credit is allowed against the taxes imposed by this title for the
6 amount of any fees or cash contributions ~~paid~~ MADE by a taxpayer during the
7 taxable year to a public school located in this state for the support of
8 extracurricular activities or character education programs of the public
9 school, but not exceeding:

10 1. Two hundred dollars for a single individual or a head of household.

11 2. Two hundred fifty dollars for a married couple filing a joint
12 return. A husband and wife who file separate returns for a taxable year in
13 which they could have filed a joint return may each claim only one-half of
14 the tax credit that would have been allowed for a joint return.

15 B. The credit allowed by this section is in lieu of any deduction
16 pursuant to section 170 of the internal revenue code and taken for state tax
17 purposes.

18 C. If the allowable tax credit exceeds the taxes otherwise due under
19 this title on the claimant's income, or if there are no taxes due under this
20 title, the taxpayer may carry the amount of the claim not used to offset the
21 taxes under this title forward for not more than five consecutive taxable
22 years' income tax liability.

23 D. THE SITE COUNCIL OF THE PUBLIC SCHOOL THAT RECEIVES CONTRIBUTIONS
24 THAT ARE NOT DESIGNATED FOR A SPECIFIC PURPOSE SHALL DETERMINE HOW THE
25 CONTRIBUTIONS ARE USED AT THE SCHOOL SITE. IF A CHARTER SCHOOL DOES NOT HAVE
26 A SITE COUNCIL, THE PRINCIPAL, DIRECTOR OR CHIEF ADMINISTRATOR OF THE CHARTER
27 SCHOOL SHALL DETERMINE HOW THE CONTRIBUTIONS THAT ARE NOT DESIGNATED FOR A
28 SPECIFIC PURPOSE ARE USED AT THE SCHOOL SITE.

29 ~~D.~~ E. For THE purposes of this section:

30 1. "Character education programs" means a program ~~as defined~~ DESCRIBED
31 in section 15-719.

32 2. "Extracurricular activities" means school sponsored activities that
33 require enrolled students to pay a fee in order to participate including fees
34 for:

35 (a) Band uniforms.

36 (b) Equipment or uniforms for varsity athletic activities.

37 (c) Scientific laboratory materials.

38 (d) IN-STATE OR OUT-OF-STATE TRIPS THAT ARE SOLELY FOR COMPETITIVE
39 EVENTS. EXTRACURRICULAR ACTIVITIES DOES NOT INCLUDE ANY SENIOR TRIPS OR
40 EVENTS THAT ARE RECREATIONAL, AMUSEMENT OR TOURIST ACTIVITIES.